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August 20, 1998

Richard Fenton, Deputy Director  
Health Care Financing Administration  
Center for Medicaid and State Operations  
Family and Children's Health Program Group  
7500 Security Blvd.  
Baltimore, MD 21244-1850

Dear Mr. Fenton:

Thank you for your letter of August 19, 1998. In that letter additional information was requested in order to make a decision on Missouri's request for those modifications that may be necessary to its 1115 waiver demonstration award project 11-W-00122/7, Managed Care Plus (MC+), to carry out activities specified in Missouri's June 26, 1998 letter. A copy of this letter is attached for your convenience (Attachment 1).

CHANGES TO CROWD-OUT POLICY

In addition to the modifications requested in Missouri's June 26, 1998 letter, the State of Missouri requests those waiver(s) and modification(s) deemed necessary by the Secretary in order to:

- ◆ Require that parent(s) and guardians (s) of uninsured children with available income above 225 percent and below 300 percent of the federal poverty level must certify, as a part of the application process, that the child does not have access to affordable employer-sponsored health insurance or other affordable health insurance available to the parent(s) or guardian (s) through their association with an identifiable group (for example, a trade association, union, professional organization or through the purchase of individual health insurance coverage). Affordable access is calculated by comparing the health insurance monthly dependent premium to 133 percent of the monthly statewide weighted average child/children premium required by the Missouri Consolidated Health Care Plan. Adjustment to the monthly statewide weighted average, based on changes in the Missouri Consolidated Health Care Plan, shall be calculated yearly in March with an effective date of July 1 of the same calendar year. Health insurance premiums less than or equal to 133 percent of the monthly average dependent premium required by the Missouri Consolidated Health Care Plan are deemed affordable and shall result in ineligibility for the child/children (Attachment 2 - Rule for Children's Health Insurance).

"AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER"  
services provided on a nondiscriminatory basis

Program as filed with the Missouri Secretary of State's Office - July 15, 1998).

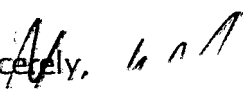
This provision is **mandated as part** of Senate Bill 632 which underwent extensive public debate during the **1998** session of the Missouri General Assembly. The intent of Senate Bill 632 was to create a "commercial like" policy for uninsured children, establish crowd-out provisions, and encourage parental responsibility in obtaining health coverage for currently uninsured children.


#### COST SHARING REQUIREMENTS

Regarding your request that we amend our 1115 waiver regarding our cost sharing requirements, we reference our **June 26, 1998** letter in which we have already made this request. We again request any and all waivers deemed necessary by the Secretary to make these changes. To address your specific issues:

1. We clearly believe **all** associated costs are matchable. The only effect this change will have is to reduce associated costs.
2. Descriptions of the **affected** populations are clearly outlined in our June 26, 1998 request (Attachment 1).
- 3-4. The research design **will** be completed by the Department of Social Services Research and Evaluation Unit and an independent evaluator selected by a competitive bid process. The analysis **will** cover the five-year demonstration period. **This evaluation will** be part of our larger 1115 evaluation referenced in our original 1115 waiver submission (Attachment 3). In addition, we **will** complete all evaluations described in our state law under Sections **208.185.10** through **208.185.13** (Attachment 4). The results of these evaluations **will** be provided to the Health Care Financing Administration. We believe these evaluation efforts **more** than meet any 1115 requirements,

Thank you in advance for your prompt response as we continue implementation of our 1115 waiver.

Sincerely, 

  
Gregory A. Vadner  
Director

GAV:kl

Attachments

cc: Nancy J. Goetschius  
Judith Flynn